

**Prepared Remarks to National Waterways Conference
“Budget Summit”
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U.S. Representative Kenny C. Hulshof**

Good morning, elected officials and distinguished guests. My name is Kenny Hulshof and I am Missouri’s Ninth District Representative in the United States Congress. It is a privilege to be here today to address the National Waterways Operators’ Annual “Budget Summit.”

Having represented Northeast Missouri in the Congress for the last six years, I have become well-acquainted with the importance of waterway navigation. With more navigable river miles located in the Ninth District than in any other district nationwide, I am well-aware of the commercial, agricultural and environmental benefits of shipping goods on our nation’s rivers. In total, commodities valued at more than \$31 billion are transported annually on our nation’s waterways, saving shippers and consumers more than \$7 billion.

The benefits are not just economic—credible studies indicate that barges emit 35-60% less pollutants than locomotives and trucks. A 15 barge tow has the same capacity as nearly 900 semi trucks; by shipping goods on the river, we can simultaneously lower emissions and relieve some of the wear and tear on our overused interstate highway system. Those of you who drive on I-70 near St. Louis like I do know the toll truck traffic takes on the roads.

Unfortunately, while the importance of maintaining and improving our nation’s waterway infrastructure is self-evident to those of us gathered here today, some seem to still be missing the point. Opponents continue to throw obstacles in the way of expanding locks and dams or providing sufficient flows on the Missouri and Mississippi Rivers to maintain navigation. Noting the environmental benefits of navigation, these interests seem to be chopping off their nose to spite their face.

Consider the decade-long battle regarding the Upper Mississippi and Illinois Rivers Navigation Study. Originally intended to determine the need for expanded locks and dams on the Upper River, this study has become mired in controversy and debates about econometric minutiae. In the process, Midwestern farmers have been forced to depend on Depression-era navigation aids held together by the force of will and tender care of their dedicated operators, losing pennies, nickels and dimes per bushel to foreign competitors. Let us take a moment to examine this issue more closely.

With 60% of the grain produced in the Midwest transported to market on the Mississippi River, in addition to fertilizers, concrete, coal, petroleum and natural gas, the economic importance of river navigation is clear. In order to be truly competitive in the fast-moving global market, we cannot continue to ignore any opportunity to become more efficient. While the incremental savings of barge traffic may sound marginal on a per pound or per ton basis, those savings can mean the difference between a successful business and an abandoned plant or empty farm next to the river.

To fully understand the need for appropriate infrastructure upgrades on the Mississippi River, it is important to understand that the system was designed and built

primarily during the Great Depression. The planned life span of this system was 60 years and we are well past that point now. The lock and dam system on the Upper Mississippi, intended to move two million tons of waterway traffic per year, now moves more than 120 million tons per year. The river infrastructure which has served us so well for so many years is proving less capable of meeting contemporary demands each and every year.

Instead of forcing barges to unhook and re-couple to make it through the existing 600-foot locks, we must move forward with efforts that would construct new 1200-foot locks as soon as possible. At present, we are waiting on a new report from the Corps that lays out a few options for new construction. I look forward to reviewing this report, and working with my colleagues along the River to ensure that Congress provides the needed funding to extend these structures as soon as possible.

While many of the delays are due to insufficient capacity, it should also be noted that we are failing to fund proper maintenance which impacts operational efficiency. The Inland Waterway Trust Fund collects revenue generated by a 20 cent per gallon diesel fuel tax and was intended to fund expansion of our waterway infrastructure. Yet today that \$394 million sits unspent while our foreign competitors continue to invest millions to modernize their river systems.

Unfortunately, instead of funding system expansion, some in recent weeks have called on tapping the trust fund revenues to finance 25-50% of inland operations and maintenance. While all federal programs are subject to some belt-tightening due to the sluggish economy and the ongoing war on terrorism, this proposal would have many unintended consequences.

Those who say that the cost of expanding waterway infrastructure is too high must have missed many of the firsthand reports on the advances being made by our competitors made over the past several years. For example, Brazil now transports soybean on vessels specially designed to navigate the Amazon River. This has allowed lower cost access to vast areas of inland production. While South American agriculture invests in infrastructure and reaps a tidy profit, we continue to fight over the Nav Study and allow the promise of the Inland Waterways Trust Fund go by the boards.

As one who grew up on a farm in the shadow of Mississippi River levees in Southeast Missouri, this battle is an especially personal one. As a kid, my family used to take our year's harvest to be loaded on barges destined for points to the south. My family's livelihood depended on the cents on a dollar saved by shipping on the river. The 15-25 cents a bushel we saved in transportation costs paid for the clothes on our backs and allowed me to attend college. Likewise, for farmers in the Upper Midwest, the lock and dam system on the Upper Mississippi saves them \$1.5 billion in transportation costs each year—that's a lot of shirts on backs and kids sent to college.

And it is not just families like mine that would lose without expanded waterway infrastructure. With one in three acres of American agricultural production destined for foreign markets, and with 96% of the world's consumers living outside our national borders, the potential for expanding our trade partnerships is enormous. In 2000, American agriculture exported \$51 billion in agriculture products, half of which passed through the Port of New Orleans. Soybeans alone accounted for the largest positive contribution to our balance of payments, with over \$7 billion worth entering the export market in 2001.

Without improved river navigation, it is clear that not just the way of life I enjoyed is at stake—with 17 percent of the American work force employed in occupations related to agriculture, we all have a great deal riding on the muddy waters of our inland waterways.

Updating infrastructure on the Mississippi River should be a key objective for us over the next year. That said, we cannot lose track of another seemingly obvious requirement for efficient navigation—sufficient water to keep our barges afloat. Because of the extensive system of locks and dams on the Mississippi, adequate river levels have been largely taken for granted. Recent conditions indicate that we can no longer assume that the river will continue to enjoy adequate and predictable flows in the future.

All of our efforts to promote navigation and economic development on the Upper Mississippi could be lost if we continue to have inadequate water from the Missouri River. Largely because of a historic drought in the Upper Missouri River Basin, we have seen the water level between St. Louis and Cairo hit record lows. We are now at the point when no one—regardless of geographic location—can ignore the interdependence of these two great rivers.

With this in mind, a coalition made up of concerned Members from Missouri, Illinois and Iowa worked to protect both rivers during the recent consideration of the FY 2003 Consolidated Appropriations Act. As the best opportunity to act before the 2003 Corps Annual Operating Plan for the Missouri River goes into effect, I joined with my friends U.S. Senator Kit Bond, U.S. Representative Ike Skelton and U.S. Representative Jo Ann Emerson to promote a smarter system of releases from the Missouri River reservoirs located in Montana and the Dakotas.

Instead using prescriptive management techniques that dictate the management of the six reservoirs and tie the hands of the Corps to meet the needs of fish, fowl and farmer alike, we support a more objective approach. After setting performance based goals, the Congress and the Fish and Wildlife Service need to get out of the way, and let the pros at the Corps do their job.

Accordingly, our coalition supported an Annual Operating Plan that allows for targeted releases and permission to move bird nests on the Upper River in times of low water. While it is by no means the mythical “silver bullet” that will eliminate the hardship faced by upriver and downriver interests, it is grounded in fairness and science. The reservoirs in the Dakotas and Montana keep an extra foot of water over the Fish and Wildlife Plan and we stand to have a reasonable shot at maintaining a full navigation season on both the Missouri and Mississippi Rivers.

This AOP was grounded in common sense, a rarity in this decade-long battle. And our counterparts to the north joined with us, agreeing in principle to adopt this alternative Annual Operating Plan in full. In fact, all eight members of the Missouri River Basin Association, which represents the interests of all eight Basin states, agreed to sign on to two separate letters in support of targeted releases and bird relocation.

In support of this attempt at consensus, my friend Ike Skelton and I circulated a letter to conferees on the Omnibus Bill, asking that language supporting the 2003 AOP, replete with targeted releases and bird relocation be included in the final legislative package. Our letter, offered to all Members from the eight Basin states, garnered the

signatures of myself, Mr. Skelton, Mrs. Emerson and Mr. Akin in Missouri, as well as all five members from Iowa and three of our friends in Illinois.

While this effort was ultimately unsuccessful, it is essential for all parties involved to realize that the Missouri and Mississippi Rivers do not operate independently. Shutting down Missouri River navigation from Sioux City to St. Louis might not seem to be a big deal to many upriver states, but a corresponding restriction on navigation between St. Louis and Cairo brings the \$120 million in commerce that passes through the Upper Mississippi River locks and dams to a screeching halt.

The bottom line is that even if you live far from the banks of the Big Muddy, the Master Manual battle still matters. Noting that 66% of the water that fills the Mississippi River between St. Louis and the confluence of the Ohio River comes from the Missouri River, river commerce simply cannot do without these flows. If even one mile is impassible to barge traffic, any state that sees its commodities move through the Port of New Orleans stands to suffer.

Recent estimates by the U.S. Coast Guard back up this contention—low flows on the Mississippi River near St. Louis have cost river commerce \$1-2 million a day. We must stand together and make sure that our story is told to the Corps. Until recently, the interdependence of the two rivers has been overlooked and underestimated by the Corps, and we as a group must be better at explaining the connection. The two rivers do not operate in a vacuum, and neither should the coalition assembled here. The pain felt by those in Iowa, Illinois and Missouri by low flows on the Missouri River will soon be the pain felt by those of you in Minnesota, Arkansas, Louisiana and Kentucky, to name just a few. We rise and fall together like the ever changing crests of our great rivers.

The stakes are high for all of us as we continue to fight for the future of the Mississippi and Missouri Rivers. Our country must decide if we want to maintain adequate flows to support navigation and improved river infrastructure to make the trip more efficient. While our government has proven adept at postponing these choices since the late 1980's, the point of no return rapidly approaches. Either we start making decisions about our economic future, or the future will soon pass us by. The time is now.

And that is why it is such a great honor to be with you here today. You all are on the front lines of this battle for the continued use of one of our nation's greatest natural resources—her rivers. Despite the obvious obstacles, it is because of your dedication and tenacity in moving our interests forward that our collective future, and that of our national economy, looks bright.

Again, many thanks for your invitation to speak here today. The honor has been all mine.